

**we energies**

231 W. Michigan Street  
Milwaukee, WI 53203  
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May 1, 2003

Public Service Commission of Wisconsin  
Attn: Ms. Amelia Ramirez, Administrator  
Division of Water, Compliance and Consumer Affairs  
610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

RECEIVED  
MAY -2 A 10:20  
WISCONSIN PUBLIC SERVICE  
COMMISSION

Dear Ms. Ramirez:

Enclosed you will find revised pages to Wisconsin Electric Power Company's 2001 Annual Report which was filed with the Public Service Commission of Wisconsin.

Revisions have been made to the following pages:

WE2 through WE2.6

We apologize for the inconvenience.

Sincerely,

A handwritten signature in black ink that reads "Steven J. Bain" with the date "5/1/03" written below it.

Steven Bain  
Manager, External Reporting

Enclosure

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## NET INCOME RECONCILIATION - FERC FORM 1 to PSCW

Item (a)	FERC PAGE REF (b)	FERC Form 1 (c)	Adjustment -- (d)	PSCW (e)
Operating Revenues	114, line 2	\$2,318,679,085	--	\$2,318,679,085
Operating Expenses	114, line 23	\$1,995,478,165	--	\$1,995,478,165
Operating Income		\$323,200,920		\$323,200,920
Other Income and Deductions	117, line 54	\$27,596,830	(a) \$4,406,220	\$32,003,050
Interest Charges	117, line 64	\$104,318,087	(a) \$4,406,220	\$108,724,307
Income before extraordinary items		\$246,479,663		\$246,479,663
Extraordinary items		--		--
Net Income		\$246,479,663		\$246,479,663

## Note:

- (a) Reclassification between Allowance for Other Funds Used During Construction, Miscellaneous Non-operating Income and Allowance for Borrowed Funds Used during Construction to reflect the difference of AFUDC computed using the PSCW method and AFUDC computed using the FERC formula for the current year.

## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)

Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
<b>To: WISCONSIN ENERGY CORPORATION</b>				
Admin Services	185	12,666	14,052	1,386
Corporate Affairs	8,133	492,519	542,285	49,766
Corporate Center	6	339	373	34
Commodity Resources	1,696	197,946	214,288	16,342
Customer Analysis and Planning	96	19,268	21,195	1,927
Customer Relations	2,124	197,669	213,422	15,753
Communications	2,218	248,226	270,804	22,578
Environmental	3,798	312,692	339,174	26,482
Electric Operations	1,167	68,731	74,326	5,595
Finance	4,864	415,605	453,962	38,357
Fossil Operations	10,882	973,087	1,062,586	89,499
Governmental Affairs	2,685	268,564	293,678	25,114
Human Resources	96	6,512	7,150	638
Information Resources	2,050	142,785	159,041	16,256
Legal Services	479	62,454	104,479	42,025
Power Marketing	48	6,112	6,845	733
Regulatory Affairs	439	60,169	64,520	4,351
Research and Innovation	44	3,411	4,583	1,172
Supply Chain	343	24,405	26,333	1,928
<b>Total Labor</b>	<b>41,353</b>	<b>3,513,160</b>	<b>3,873,096</b>	<b>359,936</b>
In-house Printing		10,126	11,298	1,172
Postage		15,979	15,979	
Catering		12,718	12,718	
Vouchers		2,737,157	2,737,157	
Personal Auto		12,083	12,083	
Company Vehicles	-	1,980	1,980	
Rent		52,113	52,113	
Information Resources		10,480	10,480	
Materials and Supplies		4,780	4,780	
<b>Total</b>	<b>41,353</b>	<b>6,370,576</b>	<b>6,731,684</b>	<b>361,108</b>
<b>To: WISCONSIN ENERGY CAPITAL CORPORATION</b>				
Corporate Affairs	9	575	717	142
Corporate Center	11	3,712	3,982	270
Finance	52	4,496	4,958	462
Fossil	1	39	43	4
Human Resources	1	168	185	17
<b>Total Labor</b>	<b>74</b>	<b>8,990</b>	<b>9,885</b>	<b>895</b>
Vouchers		17,500	17,500	
<b>Total</b>	<b>74</b>	<b>26,490</b>	<b>27,385</b>	<b>895</b>

(Continued on Page WE-2.1)

## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)

Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
To: WITECH CORPORATION				
Corporate Affairs	55	4,174	4,516	342
Corporate Center	58	18,075	19,543	1,468
Finance	52	4,046	4,722	676
Human Resources	9	3,037	3,340	303
Total Labor	174	29,332	32,121	2,789
Vouchers		8,212	8,212	
Materials		482	482	
Personal Auto		23	23	
Total	174	38,049	40,838	2,789
To: BOSTCO, LLC				
Finance	105	7,336	8,361	1,025
Total Labor	105	7,336	8,361	1,025
Vouchers		246,190	246,190	
Total	105	253,526	254,551	1,025
To: WICOR PCO				
Vouchers		2,968,523	2,968,523	
Total	-	2,968,523	2,968,523	-
To: WISPARK CORPORATION				
Admin Services	73	4,507	5,122	615
Corporate Affairs	46	3,408	3,987	579
Corporate Center	1	253	278	25
Customer Relations	468	42,658	46,620	3,962
Finance	249	18,657	20,443	1,786
Information Technology	237	16,064	17,181	1,117
Legal			-	
Total Labor	1,074	85,547	93,631	8,084
In-house Printing		3	4	1
Postage		249	249	
Catering		424	424	
Vouchers		221,135	221,135	
Auto		152	152	
Rent		15,030	15,030	
Information Technology		5,075	5,075	
Total	1,074	327,615	335,700	8,085

(Continued on Page WE-2.2)

## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)				
Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
<b>To: WISVEST CORPORATION</b>				
Corporate Affairs	66	5,088	6,552	1,464
Commodity Resources	1,199	112,428	122,837	10,409
Customer Relations	7	421	623	202
Environmental	229	19,554	19,727	173
Electric Operations	37	3,216	3,735	519
Finance	817	59,229	64,780	5,551
Fossil Operations	1,428	134,514	147,031	12,517
Information Technology	1,156	90,766	94,831	4,065
Legal	20	2,615	4,198	1,583
<b>Total Labor</b>	<b>4,959</b>	<b>427,831</b>	<b>464,314</b>	<b>36,483</b>
In-house Printing		821	912	91
Postage		210	210	
Catering		55	55	
Vouchers		834,049	834,049	
Auto		9,942	9,942	
Information Technology		9,503	9,503	
<b>Total</b>	<b>4,959</b>	<b>1,282,411</b>	<b>1,318,985</b>	<b>36,574</b>
<b>To: WICOR INDUSTRIES, INC</b>				
Admin Services	17	812	812	
Corporate Affairs	96	6,946	7,546	600
Communications	6	419	461	42
Finance	4,295	327,695	358,603	30,908
Information Resources	185	14,993	16,465	1,472
Legal	27	1,807	5,045	3,238
<b>Total Labor</b>	<b>4,626</b>	<b>352,672</b>	<b>388,932</b>	<b>36,260</b>
In-house Printing		771	861	90
Postage		662	662	
Vouchers		748,387	748,387	
Personal Auto		1,665	1,665	
Rentals		-	-	
<b>Total</b>	<b>4,626</b>	<b>1,104,157</b>	<b>1,140,507</b>	<b>36,350</b>

(Continued on Page WE-2.3)

## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)				
Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
To: MINERGY CORP.				
Corporate Center	25	1,417	1,417	
Commodity Resources	8	956	1,222	266
Customer Relations	693	86,394	90,792	4,398
Environmental	269	20,297	23,664	3,367
Finance	193	14,737	20,302	5,565
Fossil Operations	108	9,995	11,852	1,857
Information Technology	584	40,277	52,273	11,996
Regulatory Affairs	8	983	1,081	98
Other			-	
Total Labor	1,888	175,056	202,603	27,547
In-house Printing		78	78	
Postage		1	1	
Catering		7,015	7,015	
Vouchers		272,599	272,599	
Auto		1,768	1,768	
Information Technology		8,111	8,111	
Vehicles			-	
Other			-	
Total	1,888	464,628	492,175	27,547
To: FIELDTECH				
Admin Services	12	573	573	
Corporate Affairs	24	1,871	1,871	
Communications	9	546	564	18
Electric Operations	1,177	36,809	36,809	-
Finance	23	1,407	1,576	169
Information Technology	420	46,021	48,296	2,275
Legal	42	3,346	6,962	3,616
Total Labor	1,707	90,573	96,651	6,078
Vouchers		7,818	7,818	
Total	1,707	98,391	104,469	6,078

(Continued on Page WE-2.4)

## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)

Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
To: WISVEST THERMAL ENERGY SERVICES				
Corporate Affairs	(24)	(1,469)	(1,469)	
Fossil Operations	9,218	513,073	513,073	
Total Labor	9,194	511,604	511,604	-
Personal Auto		36	36	
Vouchers		159,733	159,733	
Service Fee			-	
Total	9,194	671,373	671,373	-
To: WEC INTERNATIONAL INC				
Finance	18	1,496	1,647	151
Total Labor	18	1,496	1,647	151
Vouchers		13	13	-
Total	18	1,509	1,660	151
To: BADGER				
Finance	18	1,470	1,617	147
Total Labor	18	1,470	1,617	147
Total	18	1,470	1,617	147
To: WEC NUCLEAR				
Finance	70	4,579	4,741	162
Total Labor	70	4,579	4,741	162
Total	70	4,579	4,741	162

(Continued on Page WE-2.5)

## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)				
Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
<b>To: EDISON SAULT</b>				
Corporate Affairs	119	9,856	12,169	2,313
Environmental	121	8,687	12,312	3,625
Electric Operations	1,642	136,013	148,674	12,661
Finance	239	15,802	16,870	1,068
Fossil Operations	110	11,715	13,298	1,583
Legal	32	4,406	6,609	2,203
Regulatory Affairs	194	30,087	34,149	4,062
<b>Total Labor</b>	<b>2,457</b>	<b>216,566</b>	<b>244,081</b>	<b>27,515</b>
Vouchers		281,105	281,105	
Personal Auto		1,364	1,364	
Materials		652	652	
<b>Total</b>	<b>2,457</b>	<b>499,687</b>	<b>527,202</b>	<b>27,515</b>
<b>To: NORTHERN TREE SERVICE</b>				
Finance	10	625	688	63
<b>Total Labor</b>	<b>10</b>	<b>625</b>	<b>688</b>	<b>63</b>
Vouchers		58,395	58,395	
<b>Total</b>	<b>10</b>	<b>59,020</b>	<b>59,083</b>	<b>63</b>
<b>To: WISCONSIN GAS</b>				
Labor and Non Labor		40,553,749	40,553,749	
Note: Wisconsin Gas includes only intercompany services provided, it does not include vouchers paid in Wisconsin Electric's accounts payable department.				
<b>Total</b>	<b>-</b>	<b>40,553,749</b>	<b>40,553,749</b>	<b>-</b>

(Continued on Page WE-2.6)



## INTERCOMPANY TRANSACTIONS - SERVICES PROVIDED TO ASSOCIATED COMPANIES

Affiliated Interest Service Contract (Approved in Docket No. 05-AU-103)

Department (a)	Hours Paid (b)	Total Costs (Cost Incl. Ovrhds) (c)	Total Billing (d)	Markup For Fair Market Value (e)
To: WICOR				
Corporate Relations	120	9,661	10,186	525
Communications	143	7,700	8,436	736
Governmental Affairs	127	12,993	14,252	1,259
Legal	32	4,405	5,773	1,368
Total Labor	422	34,759	38,647	3,888
Printing		12	12	
Postage		2,740	2,740	
Catering		912	912	
Vouchers		24,531	24,531	
Personal Auto		905	905	
Vehicles		615	615	
Total	422	64,474	68,362	3,888
To: WICOR ENERGY SERVICES				
Corporate Affairs	12	958	1,054	96
Customer Analysis and Planning	15	2,918	3,210	292
Finance	227	13,499	14,328	829
Legal	16	1,773	2,184	411
Total Labor	270	19,148	20,776	1,628
Printing		611	681	70
Postage		649	649	
Vouchers		100,172	100,172	
Personal Auto		40	40	
Total	270	120,620	122,318	1,698

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